

FINANCIAL MANAGEMENT

To manage and protect the City's financial assets while providing excellent service to the City's businesses and residents.

Chapter Overview

The Department of Financial Management is still developing its F.O.R. Long Beach full strategic plan. As part of an initial strategic business planning process, the Department developed its program structure and some basic output or workload, program performance measures. The program structure and performance measures serve as the basis for the City's performance-based program budget and adds clarity to the City's budget by aligning program information (listing of services), budget allocations and basic performance information. As the Department completes the full strategic business planning process, additional program information and performance measures will be developed.

As part of the full strategic planning process, the Department will also identify significant issues confronting it and will develop strategic objectives to address those issues. Until that time, the Department has identified a number of "challenges" it currently faces. These challenges and corresponding opportunities have been included in this budget chapter to provide context to the Department's activities and resources.

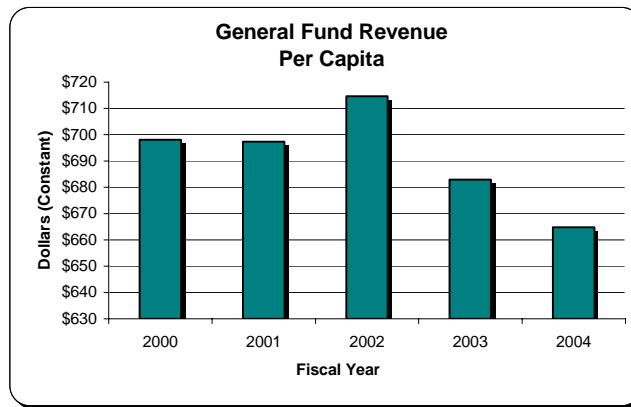
Please note that while the Department has developed output measures for each program, a number of these measures are new and will take time to fully develop and collect performance data. Therefore, some performance measures are presented without corresponding performance data.

Table of Contents

Service Delivery Environment	175-176
Challenges and Opportunities	177
Summary by Line of Business and Fund	178
Fiscal Planning and Oversight Line of Business Summary and Accomplishments	179
Program Summaries	180-183
Financial Services Line of Business Summary and Accomplishments	184
Program Summaries	185-188
Administration Line of Business Summary and Accomplishments	189
Program Summary	190-191
Summary by Character of Expense	192-193
Personal Services	194-195
Year Three Implementation - Financial Strategic Plan	196
Key Contacts	197

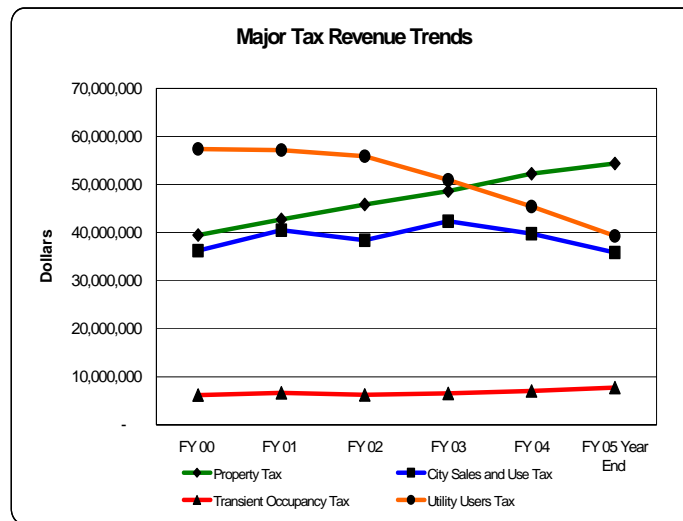
Service Delivery Environment

The impacts of Proposition 13, which capped property tax growth at 2 percent annually plus assessment adjustments to market value upon sale, the loss of half of the City's utility users tax, and other recent economic performance such as the after-effects of the September 11, 2001 tragedy on the City convention business have created an environment in which tax revenue and other resources to support General Fund services have been difficult to project and generally have not kept pace with the rate of population growth and inflation. Since 2000, Long Beach has experienced a 5.4 percent increase in population and, after adjusting for inflation, per capita revenue has decreased nearly 5 percent.



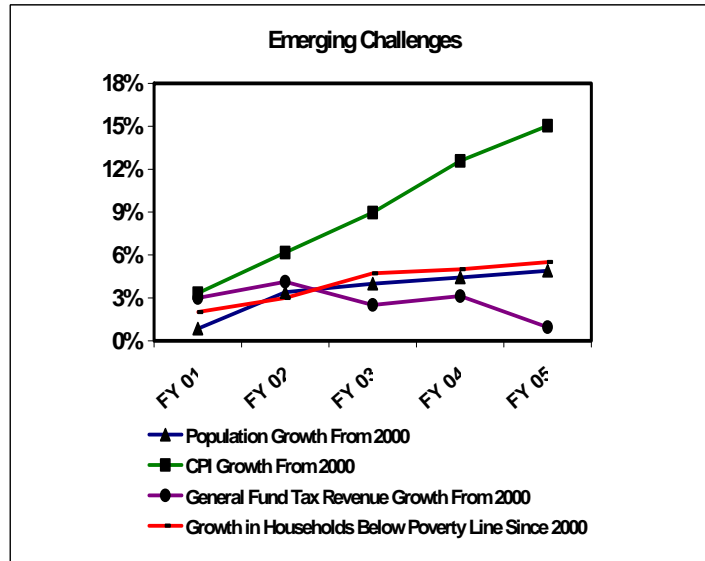
Source: ICMA - "Financial Trend Monitoring Report"

Over the past several years, the largest contributing factor to this real-dollar decline is the loss of revenue from the Utilities Users Tax (UUT). In 2000 voters reduced the UUT from 10 percent to 5 percent over a 5-year period. The chart below breaks out four of the City's top revenue sources, Property Tax, UUT, Sales Tax and Transient Occupancy Tax (TOT), and illustrates that revenue received from the UUT is now less than the revenue received from Property Tax. An analysis of tax revenue without the UUT indicates a growing tax base since FY 00. The final reduction in the UUT occurred in FY 05; therefore, projected tax revenue is expected to stabilize and increase slightly.



Service Delivery Environment

Other persistent and emerging service delivery challenges include the increasing population density in particular areas of the City and rising levels of poverty throughout the community. Almost one in every four individuals in Long Beach lives at or below the poverty line, underscoring the critical need for investments in neighborhoods and infrastructure.



Challenges and Opportunities

Challenges

- The greatest challenge facing the Department of Financial Management is managing and utilizing limited resources to address ever-expanding demands for municipal services.
- Increasing interest rates, driving up the cost of outstanding variable-rate debt.
- Providing timely service to a diverse base of utility customers with limited and decreasing numbers of staff.

Opportunities

- The greatest opportunity is to instill a culture of fiscal discipline and efficiency. Given this opportunity, the Department will:
 - Actively support, encourage and enhance all efforts to integrate performance-based budgeting throughout the City.
 - Continue implementation of the Financial Strategic Plan while working to minimize reductions in core City services.
 - Continue to implement the City Council's Financial Policies.
 - Continue to assist departments with improved revenue monitoring and collection processes, and establish consistent cost accounting in support of fee/rate setting methodologies.
 - Continue to support City efforts to protect local government resources as the State addresses its financial problems.
 - Review business license and entertainment permitting processes to improve customer service.
 - Ensure ongoing review of the City's debt and investments to minimize cost and maximize revenue.
 - Expand on-line and self-service access to utility customers.
 - Work with Technology Services, Energy, Water and Public Works departments to evaluate utility billing software to replace the 25 year-old software currently in use.

Summary by Line of Business and Fund

FY 06 Budget by Line of Business

Line of Business	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Fiscal Planning and Oversight					
Expenditures	6,179,602	6,821,998	5,884,338	86%	6,944,789
Revenues	2,906,427	2,557,578	2,418,509	95%	2,664,886
FTEs	56.80	54.80	54.80	100%	54.00
Financial Services					
Expenditures	11,118,599	11,979,693	11,631,150	97%	11,764,635
Revenues	21,786,783	22,023,710	22,813,084	104%	19,680,488
FTEs	96.33	92.86	92.86	100%	92.46
Administration					
Expenditures	229,937	(23,785)	11,305	-48%	1,695
Revenues	9	15	20	133%	15
FTEs	10.49	7.00	7.00	100%	7.00
Department TOTAL					
TOTAL Expenditures	17,528,137	18,777,906	17,526,793	93%	18,711,119
TOTAL Revenues	24,693,219	24,581,303	25,231,614	103%	22,345,389
TOTAL FTEs	163.62	154.66	154.66	100%	153.46

Note: Historical Expenditure and FTE information have been recast from the Bureau level to the Program level

* Unaudited

** Amounts exclude all-years carryover. See budget ordinance in the front section of this document.

FY 06 Budget by Fund

Fund	Expenditures	Revenues	Net Fund Support
General	8,018,390	16,879,837	(8,861,447)
Internal Service	2,137,310	461,080	1,676,230
Redevelopment Agency	245,444	-	245,444
Special Revenue	421,416	-	421,416
Tidelands	231,706	-	231,706
Gas	7,656,852	5,004,472	2,652,380
Total	18,711,119	22,345,389	(3,634,270)

Fiscal Planning and Oversight Line of Business

Program	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Budget					
Expenditures	744,776	957,761	920,456	96%	949,880
Revenues	-	-	-	-	-
FTEs	7.00	8.00	8.00	100%	8.00
Accounting					
Expenditures	3,392,889	3,952,709	3,469,700	88%	4,040,024
Revenues	593,656	607,100	610,621	101%	652,100
FTEs	38.00	36.00	36.00	100%	36.00
Treasury					
Expenditures	1,718,625	1,584,134	1,195,010	75%	1,501,706
Revenues	1,913,999	1,551,706	1,461,945	94%	1,551,706
FTEs	8.80	8.80	8.80	100%	8.00
Financial Systems					
Expenditures	323,312	327,394	299,171	91%	453,179
Revenues	398,772	398,772	345,944	87%	461,080
FTEs	3.00	2.00	2.00	100%	2.00
Line of Business TOTALS					
TOTAL Expenditures	6,179,602	6,821,998	5,884,338	86%	6,944,789
TOTAL Revenues	2,906,427	2,557,578	2,418,509	95%	2,664,886
TOTAL FTEs	56.80	54.80	54.80	100%	54.00

Note: Historical Expenditure and FTE information have been recast from the Bureau level to the Program level.

* Unaudited

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FY 05 Key Accomplishments:

- Maintained the safety and security of the City's assets through cash, debt and investment management, while developing sound financial strategies for the development and management of the City's budget.
- Provided the resources necessary to support the goals and operations of City departments through ongoing financial systems support and oversight.
- Facilitated implementation of Program-based Performance Budget initiative.
- Provided logistic and conceptual support to Employee Workgroup negotiations.
- Completed Phase I, and substantially completed Phase II, of a Citywide fee study.

Budget Program

Focus Area: Leadership Management and Support

Line of Business: Fiscal Planning and Oversight

Program Description: To provide Citywide management, oversight and support of the City's annual performance budget process in a timely and transparent manner.

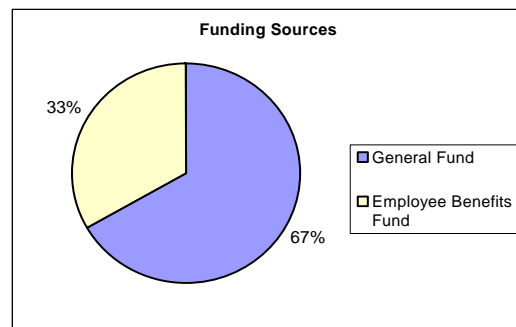
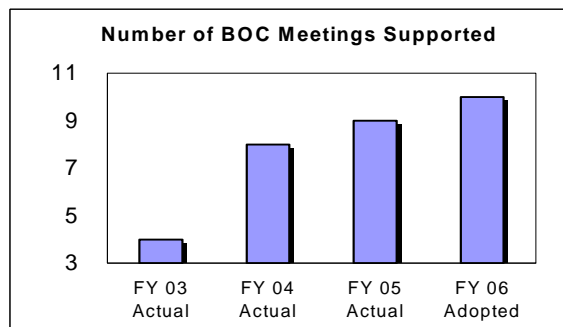
Key Services Provided: Proposed and Adopted Budgets, Financial Strategic Plan Implementation, Citywide Budget Policy Development and Oversight, Revenue and Expenditure Forecasts and Trend Analysis, Budget Performance Reporting, Community Outreach and Budget Oversight Committee Support

Budget	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Expenditures	744,776	957,761	920,456	96%	949,880
Revenues	-	-	-	-	-
FTEs	7.00	8.00	8.00	100%	8.00

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Key Performance Measures	Actual FY 04	Budget FY 05	Year End FY 05	Percent of Budget	Adopted FY 06
# of Budget Oversight Committee Meetings Supported	8	9	9	100%	10
# of Performance Reports Delivered	9	12	10	83%	12



FY 06 Budget Note: Efforts to eliminate the structural deficit will continue unabated, as will the process of creating greater transparency throughout the preparation and implementation of the budget. Expansion of the Program-based Performance Budget will remain a key focus throughout this and subsequent years. The responsibilities of the Budget Office have increased steadily since the advent of the Financial Strategic Plan without any increase in staff resources, which had made it more difficult to achieve expected reporting targets. Support for the City's performance management initiative, FOR Long Beach, monthly reporting requirements, increasing community outreach and Budget Oversight Committee support have strained the division's ability to perform traditional budget development and implementation tasks. Nonetheless, the Budget Office will attempt to produce monthly budget performance reports and support additional BOC meetings with the same staffing levels through ongoing efficiency efforts.

Accounting Program

Focus Area: Leadership Management and Support

Line of Business: Fiscal Planning
and Oversight

Program Description: To provide Citywide financial information, pay vendors, pay employees, prepare grant reporting and billings, and develop financial policies and procedures.

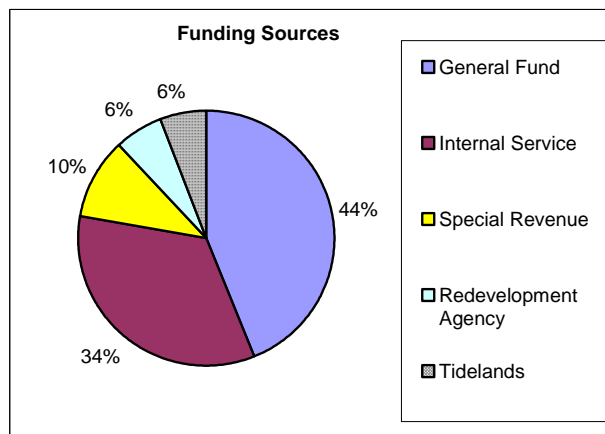
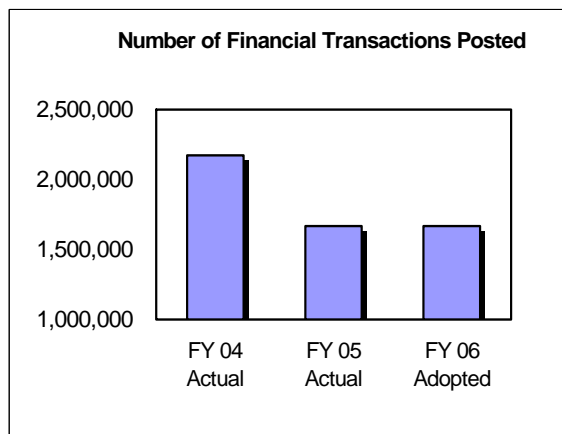
Key Services Provided: Citywide annual financial reports, vendor payments, employee payroll, vendor and payroll tax filings, maintain Citywide financial systems, coordinate monthly and year-end financial system reporting, train and assist departments for financial processing, develop financial policies and procedures, prepare grant reporting and capital project reporting and billings

Accounting	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Expenditures	3,392,889	3,952,709	3,469,700	88%	4,040,024
Revenues	593,656	607,100	610,621	101%	652,100
FTEs	38.00	36.00	36.00	100%	36.00

* Unaudited

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Key Performance Measures	Actual FY 04	Budget FY 05	Year End FY 05	Percent of Budget	Adopted FY 06
# of Legally Required Reports Prepared	19	19	19	100%	19
# of Financial Transactions Posted	2,174,000	2,282,700	1,667,561	73%	1,667,561



FY 06 Budget Note: Prepare financial reports, and process vendor and employee payments in an accurate and timely manner. The decline in number of financial transactions in FY 05 was due to an anticipated 5 percent increase in PERS and overhead related transactions that did not materialize. The Adopted FY 06 performance measure for number of financial transactions posted was revised to reflect the FY 05 actual.

Treasury Program

Focus Area: Leadership Management and Support

Line of Business: Fiscal Planning
and Oversight

Program Description: To provide Citywide management, oversight and operational support of the City's debt, investment, cash management, revenue and assessment district functions. Assist departments with developing financing strategies.

Key Services Provided: Structure debt financings and manage outstanding debt obligations; analyze, invest and manage the City's investment portfolio; ensure compliance with internal and external policies and regulations; administer and monitor collections and delinquencies for the City's assessment districts; administer the City's defined contribution retirement plan; manage asset/debt management fee allocation structure; monitor major revenue sources, ensure compliance of City tax rates with the municipal code; project revenue estimates and research and develop new revenue programs

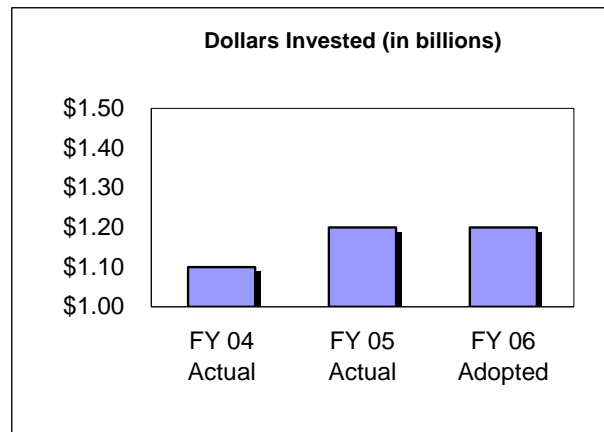
Treasury	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Expenditures***	1,718,625	1,584,134	1,195,010	75%	1,501,706
Revenues***	1,913,999	1,551,706	1,461,945	94%	1,551,706
FTEs	8.80	8.80	8.80	100%	8.00

* Unaudited

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*** This program is entirely funded by the General Fund.

Key Performance Measures	Actual FY 04	Budget FY 05	Year End FY 05	Percent of Budget	Adopted FY 06
Dollars Invested	\$1.1 billion	\$1.2 billion	\$1.2 billion	100%	\$1.2 billion
Dollars of Outstanding Debt Managed	\$1.9 billion	\$2.0 billion	\$2.0 billion	100%	\$2.1 billion



FY 06 Budget Note: It is our goal to be fully staffed in FY 06 and to continue to effectively invest the City's funds, and explore the variety of authorized investment vehicles to benefit the City while continuing to review the City's debt portfolio for debt service reduction opportunities.

Financial Systems Program

Focus Area: Leadership Management and Support

Line of Business: Fiscal Planning and Oversight

Program Description: To provide efficient and effective technical support of the financial systems to ensure optimal service delivery.

Key Services Provided: Advanced technical consultative support, technology feasibility testing, vendor liaison, and ongoing financial systems upgrades and status tracking

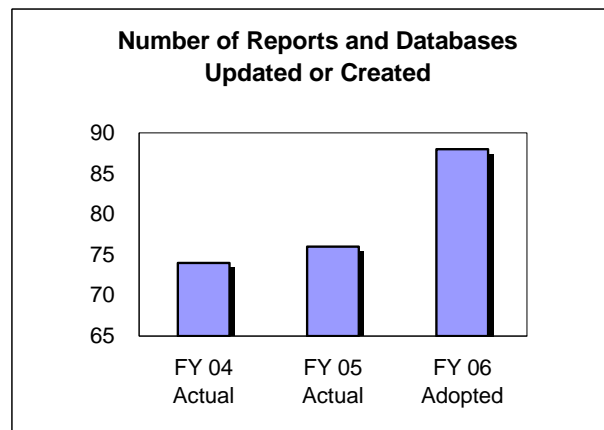
Financial Systems	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Expenditures***	323,312	327,394	299,171	91%	453,179
Revenues***	398,772	398,772	345,944	87%	461,080
FTEs	3.00	2.00	2.00	100%	2.00

* Unaudited

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*** This program is entirely funded by the General Services Fund.

Key Performance Measures	Actual FY 04	Budget FY 05	Year End FY 05	Percent of Budget	Adopted FY 06
# of Training Classes Conducted	69	61	62	102%	70
# of Reports and Databases Updated or Created	74	81	76	94%	88



FY 06 Budget Note: The Financial Systems Program budget increase of 38 percent between FY 05 and FY 06 is offset directly by a budget reduction of the same amount in the Technology Services Department. This reallocation allows for access to more efficient vendor services with lower internal staffing requirements, and will provide a slightly increased level of service with no net increase in resources.

Financial Services Line of Business

Program	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Purchasing					
Expenditures	644,354	744,924	704,691	95%	800,602
Revenues	67,639	67,489	88,967	132%	67,489
FTEs	8.00	8.00	8.00	100%	8.00
Utility Billing & Collections					
Expenditures	6,411,729	6,829,523	6,478,904	95%	6,488,308
Revenues	9,292,032	8,773,574	8,773,904	100%	5,010,472
FTEs	46.72	44.72	44.72	100%	44.32
General Billing & Collections					
Expenditures	3,182,772	3,436,672	3,403,691	99%	3,398,263
Revenues	2,861,752	3,333,647	3,798,403	114%	4,152,377
FTEs	30.96	29.49	29.49	100%	29.49
Licensing & Permits					
Expenditures	879,743	968,573	1,043,864	108%	1,077,462
Revenues	9,565,360	9,849,000	10,151,811	103%	10,450,150
FTEs	10.65	10.65	10.65	100%	10.65
Line of Business TOTALS					
TOTAL Expenditures	11,118,599	11,979,693	11,631,150	97%	11,764,635
TOTAL Revenues	21,786,783	22,023,710	22,813,084	104%	19,680,488
TOTAL FTEs	96.33	92.86	92.86	100%	92.46

* Unaudited

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FY 05 Key Accomplishments:

- Ensured an uninterrupted revenue stream by providing effective and efficient utility billing and collections, while providing a high level of service to residential and business customers.
- Actively supported the local business economy through an energetic and effective business license program.
- Provided extensive outreach and training on purchasing procedures and doing business with the City.
- Initiated comprehensive optimization review of the City's Ambulance Billing Function.

Purchasing Program

Focus Area: Leadership Management and Support

Line of Business: Financial Services

Program Description: To provide bid processing, diversity and local business outreach, and award contracts in a legal, ethical and transparent manner to support departments in obtaining the best value for core products and services, in a timely manner, as required to best serve the community.

Key Services Provided: Bid processing services, contract awards, diversity outreach services, local business preference information and outreach services, internal and external purchasing-related training workshops, Long Beach Proposition L contracting analysis, and purchasing card (credit card) services

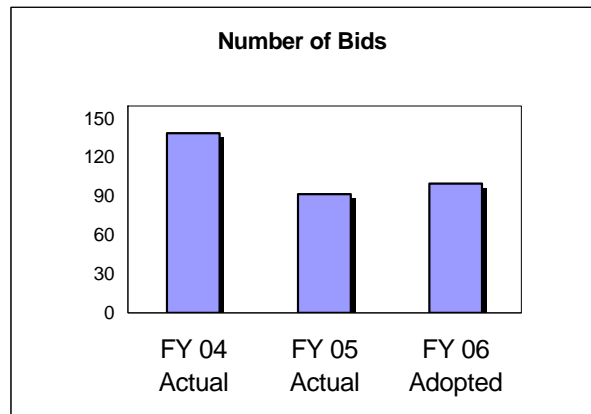
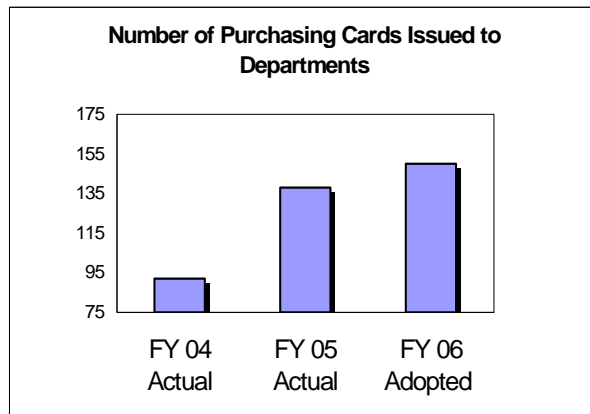
Purchasing	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Expenditures***	644,354	744,924	704,691	95%	800,602
Revenues***	67,639	67,489	88,967	132%	67,489
FTEs	8.00	8.00	8.00	100%	8.00

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*** This program is entirely funded by the General Fund.

Key Performance Measures	Actual FY 04	Budget FY 05	Year End FY 05	Percent of Budget	Adopted FY 06
# of Purchasing Cards Issued to Departments	92	138	138	100%	150
# of Bids	139	92	92	100%	100
# of New Vendors Registered to Receive City bids and RFPs	1,308	1,328	1,328	100%	1,300



FY 06 Budget Note: Continue outreach efforts to increase local business participation in City bids. In addition, improve bid management efficiency and maintain business friendly web services for businesses interested in providing products and services to the City.

Utility Billing and Collections Program

Focus Area: Leadership Management and Support

Line of Business: Financial Services

Program Description: To provide city residents with customer services, billing, payment processing and collection activities for Gas, Water, Sewer and Refuse\Recycling services with a high degree of accuracy and dependability.

Key Services Provided: In-Person, Telephone, Internet, and 24-hour Automated Customer Services, Application Processing for Service Establishment and Disconnections, High Bill Review Services, Billing Inquiries, Meter Reading, Consolidated Monthly Billing, Payment Options and Payment Processing, Outstanding Bill Collection

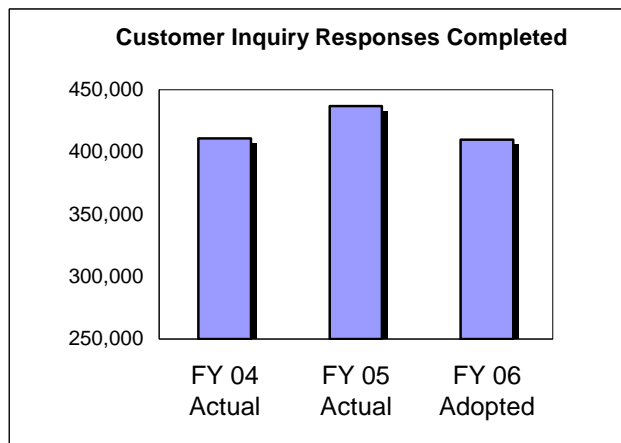
Utility Billing and Collections	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Expenditures***	6,411,729	6,829,523	6,478,904	95%	6,488,308
Revenues***	9,292,032	8,773,574	8,773,904	100%	5,010,472
FTEs	46.72	44.72	44.72	100%	44.32

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*** This program is funded entirely by the Utility Enterprise Funds. Beginning in FY 06, this program will be direct-charged to the Gas Fund, which will then bill Water, Sewer and Refuse.

Key Performance Measures	Actual FY 04	Budget FY 05	Year End FY 05	Percent of Budget	Adopted FY 06
# of Customer Inquiry Responses Completed	411,000	410,000	437,000	107%	410,000
# of Utility Accounts Managed	177,000	177,000	177,000	100%	177,000



FY 06 Budget Note: Final reduction in costs for meter reading resulting in a \$392,000 savings for FY 06 and a total Financial Strategic Plan reduction of \$984,000. Work with Technology Services to identify a new Utility Billing System to replace the antiquated 25 year-old system. Work with Technology Services and the City Manager's Office to assess and implement a 311 Non-Emergency Call Center.

General Billing and Collections Program

Focus Area: Leadership Management and Support

Line of Business: Financial Services

Program Description: To ensure accurate billing to maximize the collection of revenues.

Key Services Provided: Billing and collection of accounts receivables, payment processing, small claims actions, respond to customer inquiries, issue parking violation notifications, process payments, coordinate citation disputes and administrative hearings

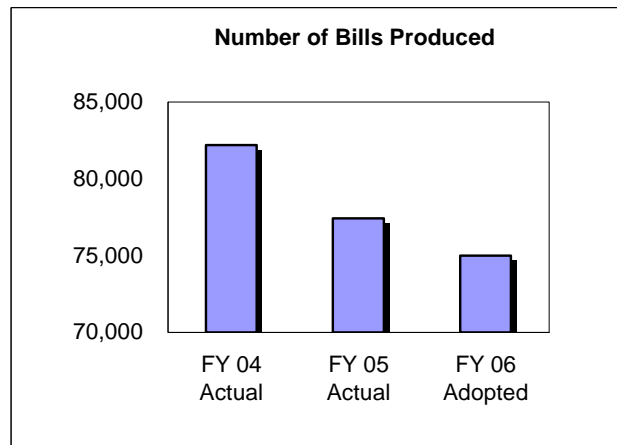
General Billing and Collections	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Expenditures***	3,182,772	3,436,672	3,403,691	99%	3,398,263
Revenues***	2,861,752	3,333,647	3,798,403	114%	4,152,377
FTEs	30.96	29.49	29.49	100%	29.49

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*** This program is entirely funded by the General Fund.

Key Performance Measure	Actual FY 04	Budget FY 05	Year End FY 05	Percent of Budget	Adopted FY 06
# of Bills Produced	82,192	77,436	77,436	100%	75,000



FY 06 Budget Note: Utilize effective collection tools by upgrading the Automated Phone Dialer System. Participate in the State of California Franchise Tax Board Intercept program. Implement 24/7 on-line or automated telephone payment system for parking citation payments. Key performance information in the Adopted Budget was revised from targets and performance in the Proposed Budget, which included business licenses and alarm permits, targets associated with the Licensing and Permits program.

Licensing and Permits Program

Focus Area: Business and Economic Assistance **Line of Business:** Licensing and Permits

Program Description: To generate revenues for various General Fund programs, the Special Advertising and Promotional Fund and Business Improvement District assessments.

Key Services Provided: Issue, collect and respond to inquiries for transient occupancy taxes, business licenses, alarm permits, entertainment permits and garage sale permits. Coordinate with various City departments and provide in-field investigations to ensure compliance with the Municipal Code

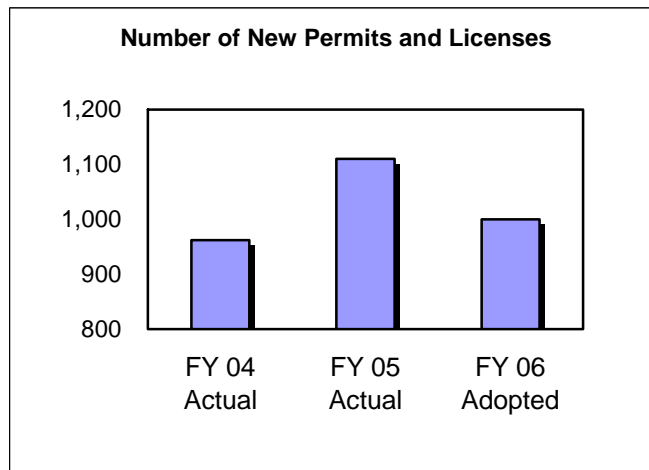
Licensing and Permits	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Expenditures***	879,743	968,573	1,043,864	108%	1,077,462
Revenues***	9,565,360	9,849,000	10,151,811	103%	10,450,150
FTEs	10.65	10.65	10.65	100%	10.65

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Key Performance Measures	Actual FY 04	Budget FY 05	Year End FY 05	Percent of Budget	Adopted FY 06
# of New Licenses and Permits	692	1,100	1,591	145%	1,000



FY 06 Budget Note: Participation in the State Franchise Tax Board Program to identify unlicensed businesses and bring into compliance according to the Municipal Code. This effort is expected to generate an additional \$118,000 in revenue.

Administration Line of Business

Program	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Administration					
Expenditures	229,937	(23,785)	11,305	-48%	1,695
Revenues	9	15	20	133%	15
FTEs	10.49	7.00	7.00	100%	7.00
Line of Business TOTAL					
TOTAL Expenditures	229,937	(23,785)	11,305	-48%	1,695
TOTAL Revenues	9	15	20	133%	15
TOTAL FTEs	10.49	7.00	7.00	100%	7.00

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Purpose Statement: The purpose of the Administration Line of Business is to provide central administrative support, coordination, and direction to the entire Department. The Administration Line of Business will be more fully developed during the department's Full Strategic Business Planning process in the coming months. This information will be available as part of the FY 07 Budget Development Process.

FY 05 Key Accomplishments:

- Implemented Safety and Workers' Compensation program improvements.
- Implemented new Program Budget structure and will further enhance performance information with completion of Business Plan in FY 06.
- Assisted the City Controller/Accounting Bureau in the production of the Comprehensive Annual Financial Report (CAFR) for FY 04.

Administration Program

Focus Area: Leadership, Management and Support

Line of Business: Administration

Program Description: To provide central administrative support, coordination and direction for the entire Department

Key Services Provided: Human Resources, Training, Risk Management, Employee Safety, Workers' Compensation, Budget and Accounting, Procurement, Billing and Collections, Contract Management, Public Information and Communications, Records Management and Executive Leadership

Administration	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Expenditures***	229,937	(23,785)	11,305	-48%	1,695
Revenues***	45	15	20	133%	15
FTEs	9.49	7.00	7.00	100%	7.00

* Unaudited

** Amounts exclude all-years carryover. See budget ordinance in the front section of this document

*** This program is entirely funded by the General Fund. Costs are allocated out to other program areas.

Key Performance Measures	Actual FY 04	Budget FY 05	Year End FY 05	Percent of Budget	Adopted FY 06
June Expenditure ETC as % of Year End Actual	104%	100%	101%	101%	100%
June Revenue ETC as % of Year End Actual	98%	100%	103%	103%	100%
Department Vacancy Rate	17%	0%	14%	(a)	0%
Overtime as % of Total Salaries	1%	1%	1%	(a)	1%
# of Workers' Comp. Claims Involving Lost Time	200%	200%	100%	(a)	0%
# of Lost Work Hours (expressed in full time equivalents) from Workers' Comp. During Fiscal Year	0.14	0.14	0.02	(a)	0
Average reporting lag time (in days) for Workers' Comp. claims during fiscal year	(a)	(a)	(a)	(a)	1 day

(a) Tracking systems are being developed to capture this data going forward and/or data not available.

FY 06 Budget Note: Control operating expenses, maximize operational efficiency and facilitate the implementation of a Program-Based Performance Budget within the Department and throughout the City.

Citywide Financing Program

Focus Area: Leadership Management and Support

Line of Business: Administration

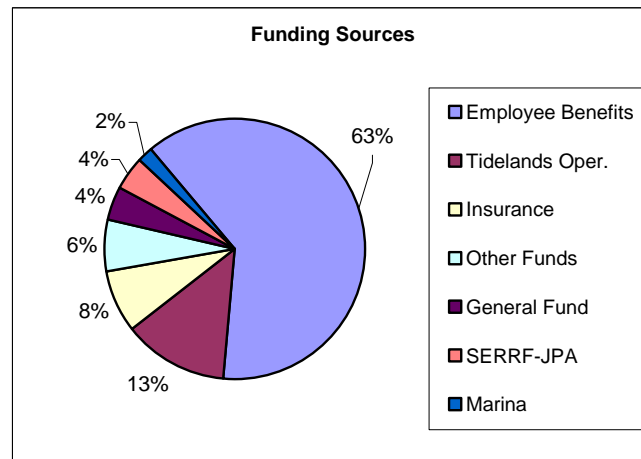
Program Description: To administer citywide revenues, expenditures and transfers that are not linked to a specific operating department.

Key Services Provided: Receipt of Property Taxes, Citywide Payments for Pension Obligation Bonds, Police and Fire Pension Plans, Interfund Transfers for the Indirect Cost Allocation Plan, and Expenditures for City-Involved Joint Power Activities

Citywide Financing	Actual FY 04	Budget FY 05	Year End* FY 05	Percent of Budget	Adopted** FY 06
Expenditures	241,526,560	298,995,882	286,148,487	96%	302,351,334
Revenues	485,885,695	558,860,199	550,994,782	99%	596,430,604
FTEs	-	-	-	-	-

* Unaudited

** Amounts exclude all-years carryover. See budget ordinance in the front section of this document.



FY 06 Budget Note: This program incorporates revenue and expense associated with Interfund and Non-operating activities, as well as the old Police and Fire Pension Plans. This program, while included in the Department of Financial Management's chapter, incorporates Citywide activities and is not associated with Financial Management's activities, thus is not reflected in Financial Management's budget by Line of Business or Character of Expense.

Citywide Summary by Character of Expense

Citywide activities are included on the Financial Management Department and Citywide Activities Summary page. This summary includes Financial Management's operating budget as well as the following activities:

"XC" Citywide contains certain citywide revenues, transfers and expenditures that are not linked to a specific operating department. Citywide receipt of property taxes and citywide payments for Pension Obligation Bonds are examples. "XI" contains interfund transfers for the indirect cost allocation. "XJ" Joint Powers Authority contains expenditures for City-involved joint power activities.

The second Department summary page strictly includes the Department of Financial Management's operating budget.

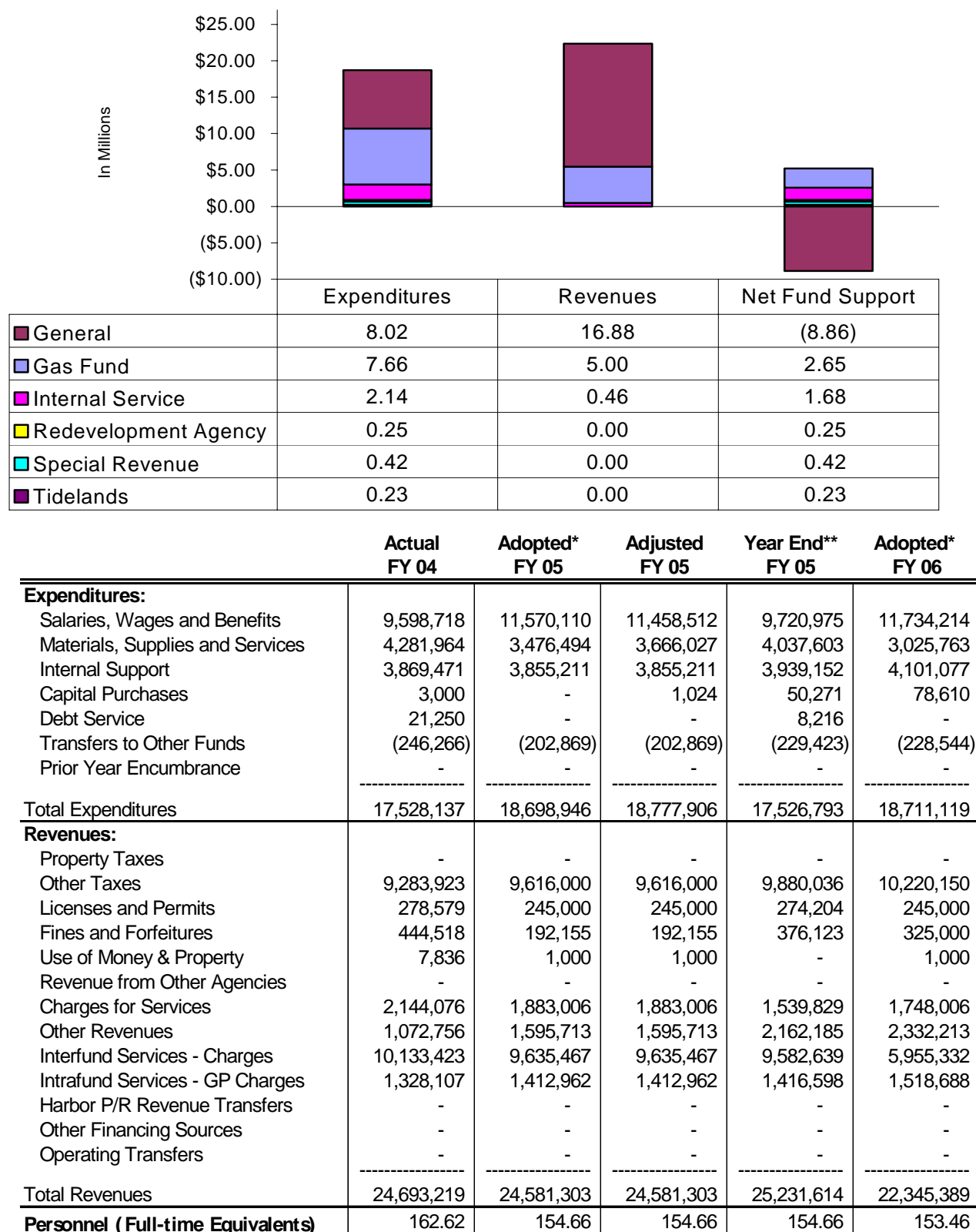
	Actual FY 04	Adopted* FY 05	Adjusted FY 05	Year End* * FY 05	Adopted* FY 06
Expenditures					
Salaries, Wages and Benefits	113,784,790	162,008,411	167,208,411	155,293,870	181,244,151
Materials, Supplies and Services	50,935,188	48,674,713	48,973,354	51,193,806	53,333,345
Internal Support	6,380,674	6,478,728	6,478,728	6,480,568	177,511
Capital Purchases	700,205	-	695,500	605,500	-
Debt Service	45,708,633	44,144,473	47,731,252	47,768,751	44,412,552
Transfers from Other Funds	24,017,070	26,358,638	27,908,638	24,805,992	23,183,775
Prior Year Encumbrance	-	-	-	-	-
Total Expenditures	241,526,560	287,664,962	298,995,882	286,148,487	302,351,334
Revenues					
Property Taxes	55,677,155	61,483,000	61,483,000	60,741,589	63,528,000
Other Taxes	112,013,380	101,160,494	101,160,494	105,437,173	109,632,053
Licenses and Permits	365,114	1,700,000	1,700,000	1,470,942	1,000,000
Fines and Forfeitures	11,638	-	-	6,284	-
Use of Money & Property	25,072,291	23,105,989	23,105,989	24,698,926	28,570,278
Revenue from Other Agencies	40,795,095	61,577,779	61,133,777	61,438,815	60,562,269
Charges for Services	24,677,080	24,435,000	24,489,419	26,909,312	29,521,000
Other Revenues	(1,357,177)	2,972,373	3,416,375	2,130,319	9,137,703
Interfund Services - Charges	142,373,519	209,727,639	209,727,639	186,978,181	225,652,946
Intrafund Services - GP Charges	6,308,973	6,308,973	6,308,973	6,308,973	-
Other Financing Sources	11,595,000	-	3,586,779	3,586,779	-
Operating Transfers	68,353,627	62,570,949	62,747,754	71,287,490	68,826,355
Total Revenues	485,885,695	555,042,196	558,860,199	550,994,782	596,430,604
Personnel (Full-time Equivalents)	N/A	N/A	N/A	N/A	N/A

* Amounts exclude all-years carryover. See budget ordinance in the front section of this document.

**Unaudited

Summary by Character of Expense

Adopted* FY 06 Budget by Fund



* Amounts exclude all-years carryover. See budget ordinance in the front section of this document.

** Unaudited

Personal Services

Classification	FY 04 Adopt FTE	FY 05 Adopt FTE	FY 06 Adopt FTE	FY 05 Adopted Budget	FY 06 Adopted Budget
Director of Financial Management	1.00	1.00	1.00	151,516	132,053
Accountant II	1.00	-	-	-	-
Accountant III	11.00	12.00	12.00	743,500	738,018
Accounting Clerk II	4.00	3.00	3.00	104,877	101,941
Accounting Clerk III	8.00	8.00	8.00	315,572	307,088
Accounting Operations Officer	3.00	3.00	3.00	244,869	244,935
Accounting Technician	3.00	3.00	3.00	130,573	130,573
Administrative Analyst II	1.00	1.00	1.00	65,160	65,160
Administrative Analyst II - Confidential	-	-	1.00	-	58,089
Administrative Analyst III	4.00	4.00	4.00	280,755	242,818
Administrative Analyst III - Confidential	4.00	5.00	4.00	341,900	273,238
Administrative Intern - NC/H39	0.80	0.80	-	25,165	-
Budget Management Officer	1.00	1.00	1.00	80,000	80,031
Business Services Officer	1.00	1.00	1.00	75,348	75,348
Buyer I	3.00	3.00	3.00	162,673	167,975
Buyer II	2.00	2.00	2.00	127,273	133,716
City Controller/Special Projects Manager	0.49	-	-	-	-
City Controller/Budget Manager	1.00	1.00	1.00	110,345	107,000
City Treasurer	1.00	1.00	1.00	111,221	112,000
Clerk III	1.00	1.00	1.00	32,090	32,090
Clerk Typist II	1.00	1.00	1.00	34,621	34,621
Clerk Typist III	2.00	3.00	3.60	100,232	113,531
Clerk Typist III - Confidential	-	-	1.00	-	37,588
Clerk Typist IV	1.00	1.00	-	31,162	-
Customer Service Representative II	16.00	14.00	14.00	491,713	480,055
Customer Service Representative II-NC	4.33	4.86	4.86	153,315	152,556
Customer Service Representative III	46.00	45.00	45.00	1,777,155	1,764,190
Customer Services Officer	1.00	1.00	1.00	75,348	75,348
Customer Services Supervisor I	7.00	6.00	6.00	288,614	283,467
Customer Services Supervisor II	3.00	3.00	3.00	150,922	155,911
Diversity Outreach Officer	1.00	-	-	-	-
Executive Secretary	1.00	1.00	1.00	49,108	49,108
Financial Services Officer	1.00	2.00	1.00	157,281	77,281
License Inspector I	3.00	3.00	3.00	133,987	133,987
License Inspector II	1.00	1.00	1.00	46,972	46,972
Manager-Administrative Services	1.00	-	1.00	-	73,539
Manager-Commercial Services	1.00	1.00	1.00	104,761	104,761
Payroll/Personnel Assistant II	2.00	1.00	1.00	37,588	37,588
Payroll Specialist I	3.00	3.00	3.00	131,085	135,207
Purchasing Agent	1.00	1.00	1.00	77,970	77,970
Revenue Officer	1.00	-	-	-	-
Secretary	4.00	3.00	3.00	114,376	111,011
Secretary - Confidential	1.00	1.00	-	40,430	-
Senior Accountant	3.00	3.00	3.00	199,837	206,672
Senior Accountant - Confidential	1.00	1.00	1.00	70,374	70,374
Systems Analyst I	2.00	1.00	1.00	50,680	50,680
Subtotal Page 1	159.62	151.66	150.46	7,420,365	7,274,491

[illegible]

Year Three Implementation – Financial Strategic Plan

DESCRIPTION	SERVICE IMPACT
Reduce general operating, travel, training and equipment expense (\$12,530)	Staff will be required to address ever-expanding needs with limited resources
Eliminate Administrative Intern in Treasury and downgrade full-time Clerk Typist to part time in Commercial Services (\$23,290)	Additional work with limited resources
Bi-monthly meter reading expenditure reduction (\$246,327)	No service impact when meters are read every other month. Continuation of program implemented in FY 05
Charge late and collection agency fees on various delinquent accounts (\$141,000)	City will benefit by full cost recovery on various accounts receivables, including paramedic and ambulance transports and false alarms
Add banking fees for credit card payments and remote payment stations (\$186,823)	Customers using credit cards will be assessed a \$3.00 fee. Customers using remote payment station option will pay the \$1.00 vendor cost
Increased revenue from FY 05 Plan items: Utility Payment late fees, Business License Taxes, and Parking Citation Processing for Long Beach City College (\$753,000)	No service impact

Key Contacts

Michael A. Killebrew
Director of Financial Management
Acting Controller/Budget Manager

David Nakamoto
City Treasurer

Pamela Wilson-Horgan
Commercial Services Manager

David M. Wodynski
Budget Management Officer

John C. Zanier
Administrative Services Officer

Jana Vandenberg
Purchasing Agent

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